

What Is It About Germany That Makes AT&T Allies Accidentally Speak Truth? The Curious Case of CWA's Larry Cohen.

Much like the great and powerful Wizard Oz, AT&T's spin machine relies on smoke and illusion combined with a powerful voice and a chorus of believers to maintain the belief in its awesome power and infallibility. But the fact that the "Great and Powerful Oz" is merely an old fraud with a handful of tricks and a magnificent PR campaign is increasingly clear to anyone who, like the intrepid little dog Toto, ignores the illusion and pulls back the curtain.

Last time we had news from Germany, it was Deutsche Telekom (DT) CTO Olivier Baujard noting that of course DT had other options for T-Mobile if the AT&T deal fell through. After all, who could possibly be so stupid as to think that a company like DT wouldn't have a Plan B? Since that was what AT&T was telling everyone, and since AT&T's chorus of cheerleaders and honest politicians were insisting that they were, indeed, precisely that stupid, this turned into something of an embarrassment. Since then, of course, Wall St. analysts such as Craig Moffett have recognized that, since AT&T's odds of closing the deal are slim to none, it's time for everyone to recognize that DT has a Plan B and get on with life.

There seems to be something about Germany, however, that lulls even the most confirmed AT&T cheerleaders into accidentally speaking embarrassing truths. So it was with Larry Cohen, President of CWA. For background, understand that Cohen is such an avid supporter of the AT&T takeover of T-Mobile that, in his appearance on "The Ed Show" with PK President Gigi Sohn the day DoJ filed to block the merger, he was literally incoherent with rage. How dare the DoJ enforce the antitrust rules! I swear to God, if you watch this clip you just sort of wonder if he is going to succeed in choking on his own bile in righteous wrath. As a bonus, if you watch in HD, you can see him change colors until his face looks like AT&T's white and blue logo. Now that's a loyal cheerleader!

Nevertheless, when Cohen spoke to the German magazine focus, he admitted that AT&T has only a 20% chance of actually closing the deal. While I happen to think even that is optimistic, it is certainly the most accidentally honest thing Cohen has said to date about the takeover. What inspired Cohen to let this inconvenient truth slip while AT&T continues to rally the troops, spending both money and political capital like water, is beyond me. Perhaps it was 1 too many beers at Oktoberfest. But whatever it was, AT&T found itself confronted with another unfortunate revelation from one of its most avid supporters and immediately went into clean up mode.

In this case, however, "clean up mode" turned out to be so inept and laughable that AT&T would have been better off muttering "what happens in Germany stays in Germany" and hope that the buzz died down. Alternatively, they should have stuck with "1 too many beers at Oktoberfest." Instead, Cohen said in an interview that he actually meant to say he thought AT&T had a 60% chance of

getting a settlement with DoJ. If that didn't happen, Cohen gave AT&T a 50% chance of beating the DoJ in court.

Wow, I can totally see how "AT&T has only a 20% of actually buying T-Mobile" sounds just like "AT&T has a 60% chance of getting a settlement but, if that doesn't work, they have a 50% chance of winning the court case." I mean, those are probably almost exactly the same word in German, with the exception of the umlaut over the percentage sign.

Still, the Wall St. Journal found this a bit difficult to understand. So they asked CWA for further clarification of how 60% chance of settlement and 50% chance of winning translates into only a 20% of closing. A CWA spokesperson responded that this was "fuzzy math" and that Cohen had tried to multiply these two together and somehow came up with only a 20% chance of success, which is smaller than both the 60% chance AT&T supposedly has for a settlement or the 50% chance it has of winning. In fact, try as I might, I cannot figure out any math, no matter how fuzzy, that somehow translates Cohen now says are the correct numbers into what Cohen actually said in Germany.

On the other hand, with math like this, I can totally see why Cohen believes that a merger that will lay off at least 20,000 T-Mobile employees as soon as it closes "creates jobs" because AT&T promises to bring back 5,000 call center jobs. I mean, 5,000 jobs returned to the U.S. more than makes up for 20,000 U.S. jobs terminated at T-Mobile, right? Just like 20% is more than 60% and 50%.

I think they should have stuck with the Oktoberfest excuse. AT&T's merger math generally only makes sense after one too many beers.